in their bank balance feel richer, but the result of thus multiplying currency without any increase in the supply of goods and services to be bought inevitably helps the rise in prices which makes the war costly, puts the burden of it on to the wrong shoulders* and likewise cheapens the value of the English pound as measured in other currencies. This is why the evils involved by this process become so relevant to the question now at issue.

If the Government is allowed to go on financing the war by increasing the currency with the very reluctant help of the bankers, the difficulties of maintaining our gold standard and keeping the exchanges in favour of London will be very greatly magnified when the war is over and our gold reserves are no longer protected by the submarines and the high cost of shipping gold that they produce. It therefore follows that all who have the true interests of the City at heart should use all the influence they can to force the Government to adopt a sounder financial policy before it is too late.

It is true that our war finance has hitherto been ' sounder than that of any other warring Power, but it has fallen very short if we apply the rough test of the proportion of the cost of war borne out of taxation and compare our performance with the results achieved by our ancestors in the Napoleonic and Crimean wars.

If we have done better than France, Italy, Russia and Germany in this respect, it must also be remembered that the financial prestige which these countries had to maintain was not nearly so great